

NEW NUMBER

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
GEORGE JOHN KETO\*  
MILTON C. GRACE\*  
JAMES C. MARTIN, JR.\*

\*NOT A MEMBER OF D.C. BAR  
\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN OHIO  
\*ALSO ADMITTED IN MARYLAND

LAW OFFICES  
**ALVORD AND ALVORD**

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2873

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

RECORDATION NO. 1 5185-85  
Filed & Recorded

MAR 20 1987 12-30 PM

7-0794928 INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF  
THE SECRETARY  
MAR 20 12 21 PM '87  
TELETYPE UNIT  
367A AND

MAR 20 1987

Date .....  
Fee \$ 10.00

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed copies of a Loan and Security Agreement dated as of February 27, 1987, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: Gunderson Leasing, Inc.  
4350 N.W. Front Avenue  
Portland, Oregon 97303

Lender/  
Secured Party: USX Credit Corporation  
600 Grant Street, Room 3306  
Pittsburgh, Pennsylvania 15230

A description of the railroad equipment covered by the enclosed document is:

Seventy-three (73) 100-ton, 73'0" center partition flatcars bearing reporting marks and numbers WCRC 7500 through WCRC 7572, inclusive; and

Twenty (20) center partition railcars bearing reporting marks and numbers WCRC 7300 through WCRC 7319, inclusive

*C. T. Kappler*  
*C. Davis*

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Page Two

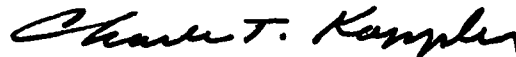
Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A brief summary of the enclosed primary document to appear in the Commission's Index is:

Loan and Security Agreement dated as of February 27, 1987 between Gunderson Leasing, Inc., Borrower, and USX Credit Corporation, Lender/Secured Party covering seventy-three center partition flatcars marked WCRC 7500 - WCRC 7572 and twenty center partition railcars marked WCRC 7300 - WCRC 7319.

Very truly yours,

  
Charles T. Kappler

Enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

3/20/87

OFFICE OF THE SECRETARY

Charles T. Kappler  
Alvord & Alvord  
918 16th Street N.W.  
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/20/87 at 12:30pm, and assigned recordation number(s). 15185

Sincerely yours,

*Norita R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

LOAN AND SECURITY AGREEMENT

RECORDATION NO. 1 5185 Filed & Recorded

MAR 20 1987 12-30 PM

Between  
Gunderson Leasing, Inc.  
and  
USX Credit Corporation

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT dated as of the 27th day of February, 1987 by and between GUNDERSON LEASING, INC., an Oregon corporation (the "Borrower") having its principal place of business at 4350 N.W. Front Avenue, Portland, Oregon 97303, and USX CREDIT CORPORATION, a Delaware corporation (the "Lender") having an office at 600 Grant Street, Room 3306, Pittsburgh, Pennsylvania 15230.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, herein agree as follows:

1. RECITALS

1.1 Borrower is engaged in the business of acquiring equipment and leasing same to third party users; and

1.2 Borrower has requested Lender to make a loan to Borrower for the acquisition of Equipment which will be leased pursuant to a Lease between Borrower as Lessor and Cascade Warehouse Company, Inc. as Lessee.

1.3 Lender has agreed to make such loan to Borrower upon and subject to the terms and conditions set forth herein and in the Note executed simultaneously herewith evidencing such loan.

1.4 Gunderson, Inc. has agreed to guarantee Borrower's obligation to repay such loan, as evidenced by the Guaranty Agreement dated February 27, 1987.

2. DEFINITIONS

The following terms shall have the following meanings for the purposes of this Agreement:

2.1 "Additional Collateral" shall mean those twenty (20) center partition railcars owned by Lessee and carrying reporting marks WCRC 7300 through WCRC 7319, inclusive.

2.2 "Collateral" shall mean the Lease, all Equipment covered by the Lease and all proceeds under the Lease.

2.3 "Equipment" shall mean those seventy-three (73) 100 ton, 73' 0" center partition flatcars covered by the Lease and bearing AAR mechanical classification FBS and carrying reporting marks of WCRC 7500 through WCRC 7572, inclusive, and the Additional Collateral.

2.4 "Guarantor" shall mean Gunderson, Inc.

2.5 "Lease" shall mean the Lease Agreement dated as of November 26, 1986 between Borrower as lessor and Cascade Warehouse Company, Inc. as lessee.

2.6 "Lessee" shall mean Cascade Warehouse Company, Inc.

2.7 "Lessor" shall mean Gunderson Leasing, Inc.

2.8 "Note" shall mean the note, substantially in the form of Exhibit A attached hereto, executed by Borrower and delivered to Lender simultaneously and in conjunction with this Agreement to evidence the loan made hereunder.

2.9 "Rental Payments" shall mean any and all amounts due or to become due under the Lease.

### 3. REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make the Loan, Borrower represents and warrants that:

3.1 Corporate Existence and Powers. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of Oregon, is duly licensed or qualified to do business in each other jurisdiction wherein the character of the properties owned or the nature of the business transacted by it requires such licensing or qualification and where the failure to so qualify would materially affect Borrower's ability to perform its obligations under the Note, and has all corporate powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Borrower has all corporate power required to enter into and carry out the transactions contemplated by this Agreement.

3.2 Corporate Authorization; Binding Effect. The execution, delivery and performance by Borrower of this agreement are within the corporate authority of Borrower, have been duly authorized by all necessary corporate proceedings and do not and will not (i) contravene, or constitute a default under, any provisions of applicable law or regulations or of the certificate of incorporation or by-laws of Borrower or of

any presently existing contract, agreement, judgment, order, decree or other instrument binding upon Borrower or (ii) result in, or require, the creation or imposition of any lien upon or with respect to any property now or hereafter owned by Borrower under any presently existing contract, agreement or other instrument binding upon it, other than (y) that specifically created hereunder and (z) the rights of the Lessee under the Lease. This Agreement constitutes, as of its execution, a legal, valid and binding agreement enforceable against Borrower in accordance with its terms.

3.3 Governmental and Other Consents Not Required. No license, authorization, consent or approval of any governmental body, other body or agency is required to be obtained by Borrower in connection with the execution and delivery of this Agreement, or in connection with the carrying out by Borrower of its obligations under this Agreement.

3.4 Litigation. There is no action, suit or proceeding pending, or to the knowledge of Borrower threatened, against or affecting Borrower before any court or arbitration tribunal or any other governmental department, administrative agency or instrumentality which, if such action, suit or proceeding would be determined against Borrower, would affect the ability of Borrower to perform its obligations under this Agreement. Borrower is not in default in any material respect with respect to any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award.

3.5 Taxes. The Borrower has filed all United States Federal tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by Borrower, except such taxes or assessments, if any, as are being contested in good faith and as to which reserves on the books of Borrower are, in the opinion of Borrower, adequate.

3.6 Title to Collateral. Borrower warrants that Borrower has acquired good and merchantable title to the Collateral at such time and in such manner as to create a first priority security interest in the Collateral, the Lease, the Rental Payments and any other sums due or to become due under the Lease, provided and on the condition that Lender makes timely filings in the proper offices of all Interstate Commerce Commission forms and UCC-1 Financing Statements furnished to it, and subject only to the rights of the Lessee under the Lease, free and clear of in each instance any other security interests, liens, claims, encumbrances and rights of others except any lien created by this Agreement and tax liens not yet due and payable. Borrower represents that it has provided Lender with the correct serial numbers of the Equipment and true copies of the purchase documents.

3.7 Condition of Collateral. (i) The Equipment is in the condition required by the Lease, (ii) the Lessee does not have any defense, set-off, claim or counterclaim against Borrower which can be asserted against Lender whether in any proceeding to enforce Lender's rights hereunder in the Collateral or otherwise and (iii) the amounts represented by Borrower as owing by Lessee are the correct amounts actually and unconditionally owed by Lessee.

3.8 Lease. The copy of the Lease provided to Lender is a true and correct copy of the Lease Agreement between Borrower and Lessee.

#### 4. THE LOAN

4.1 Loan. Upon and subject to the terms and conditions of this Agreement, Lender agrees to make a loan to Borrower in order to finance the acquisition of the Equipment which Borrower has agreed to lease under a Lease between Borrower and the Lessee. The Borrower's obligation to repay such loan shall be evidenced by a Note. Such Note shall be executed and delivered to Lender prior to or simultaneous with the closing with the blanks therein appropriately completed.

4.2 Security. As security for such loan, Borrower shall and does hereby grant, convey, pledge, sell, mortgage, assign, transfer and set over to Lender a security interest in and lien on all of Borrower's right, title and interest in and to the Collateral, such security interest to be a first priority security interest subject only to the qualifications set forth in Section 3.6.

#### 5. CONDITIONS PRECEDENT TO LOAN

The obligation of Lender to make the loan hereunder is subject to the performance by Borrower of all its obligations hereunder and the satisfaction of the following further conditions:

5.1 No Default. The fact that immediately after the making of such loan no Event of Default hereunder and no event or condition which, with the giving of notice or lapse of time or both, would become such an Event of Default hereunder, shall have occurred and be continuing;

5.2 Representations and Warranties. The fact that the representations and warranties contained in this Agreement made by Borrower are true and correct in all material respects on and as of the date of the closing of the loan;

5.3 Receipt of Note. Receipt by Lender of a duly executed Note payable to the order of Lender complying with the provisions of Section 4 hereof;

5.4 Other Documents. Receipt by Lender of all documents it may reasonably request relating to the existence of Borrower, the corporate authority for and validity of this Agreement and the Note, all in form and substance satisfactory to Lender and its counsel, a certified copy of the Lease, together with the executed original of the Certificate of Acceptance for the Equipment whereby the Lessee acknowledges the delivery and acceptance of the Equipment, a copy of the opinion of counsel of Borrower, and such other documents, instruments and writings which Lender may reasonably request, including, but not limited to, the Purchase Agreement, Bill of Sale, and Certificate of Acceptance for the Additional Collateral; and

5.5 No Default Under the Lease. That no default or event which with the passage of time or the giving of notice or both will constitute a default has occurred with respect to the Lessee under the Lease.

#### 6. REPAYMENT OF THE NOTE

The Note executed and delivered to Lender by Borrower hereunder shall be paid in the following manner: The Rental Payments shall be made by the Lessee directly to Lender and shall be applied by Lender to reduce the balance which is due and owing under the Note. In no case will Borrower be permitted to repay the Note during the first three years the Note is in effect. If, thereafter, the Borrower elects to prepay the then remaining portion of the Note, the Borrower shall reimburse the Lender in an amount equal to the excess, if any, of (a) the interest which the Lender would have received on the Note or on the part thereof being prepaid from the date of prepayment to the maturity date, over (b) the interest which the Lender would receive if it reinvested the amount prepaid at the then prime interest rate per year (as announced from time to time by the Morgan Guaranty Bank & Trust Company) from the date of prepayment to the maturity date of the Note (such reinvestment to be made in good faith and using best efforts to minimize such excess), and the Lender shall reimburse the Borrower in an amount equal to one-half the excess, if any, of (b) over (a).

#### 7. COVENANTS OF BORROWER

7.1 No Sale. As long as the Note remains unpaid hereunder, Borrower will not sell, assign, transfer, encumber, lease or otherwise dispose of all, or any part, of its right, title and interest in the Collateral except in accordance with this Agreement without first obtaining the prior written consent of Lender which shall not be unreasonably withheld.

7.2 Compliance with Lease. Borrower will comply with all terms of the Lease and will not suffer or permit any



offsets, counterclaims and/or rights of recoupment or other defenses to arise in favor of the Lessee.

7.3 Insurance. Borrower will maintain or cause to be maintained, in full force and effect, casualty insurance (including loss, damage or destruction) and public liability insurance on all of the Equipment, and such insurance policy shall:

a. Designate Lender as an additional insured; and

b. Provide that it may not be cancelled without thirty (30) days' prior written notice to Lender; and

c. Provide "all risk" insurance coverage against damage to the Equipment and Additional Collateral in an amount not less than the outstanding balance of the Note plus the value of the Additional Collateral (which as of the date of the Note shall be not less than \$4,002,500) subject to a maximum \$5,000 deductible per car with a per occurrence amount not more than \$25,000.

d. Provide \$2,000,000 combined single limit comprehensive general liability insurance for liability arising out of bodily injury, property damage and/or personal injury.

7.4 Maintenance of Equipment. Borrower will maintain the Equipment, or cause it to be maintained, in good order and condition, reasonable wear and tear excepted.

7.5 Payment of Taxes. Borrower will pay, or cause to be paid, all taxes, Federal, state or local and all levies or charges assessed against the Equipment and the Lease thereof; and Borrower will discharge, or cause to be discharged, all liens, security interests and encumbrances affecting the Equipment arising therefrom.

## 8. EVENTS OF DEFAULT

Any of the following events shall constitute an Event of Default hereunder and under the Note:

8.1 Payments. Borrower shall fail to make any payment under the Note when due.

8.2 Lease Defaults. An uncured default by the Lessee under and as defined in the Lease. Borrower shall have the right to cure any default by Lessee under the Lease within five days of notice of such default from Lender; provided, however, Borrower's right to cure under this Section 8.2 after the second of two consecutive defaults by Lessee shall be contingent upon Lender's consent thereto, regardless of whether

the default was cured by Lessee or Borrower. Borrower's right to cure any default by the Lessee under this Section 8.2 shall not impair any such right, power or remedy of Lender, nor shall it be construed as a waiver of any such breach or default, or any similar breach or default thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default.

8.3 Liens. Borrower shall suffer the imposition upon the Collateral or any part thereof of any claim, lien, security interest, encumbrance or charge not arising under Section 7.1 hereof or out of a breach of Borrower's obligations under the Lease which is prior to or on a parity with the security interest granted hereunder, except as contemplated hereby, and such imposition shall remain undischarged or unbonded for a period of thirty (30) days after Borrower has notice or actual knowledge thereof;

8.4 Other Covenants. Borrower shall fail in any material respect to perform or observe any covenant, condition or agreement to be performed or observed by the Borrower in the Note or in any agreement or certificate of Borrower furnished to the Lender in connection herewith and such failure shall continue unremedied for a period of thirty (30) days after notice thereof to the Borrower;

8.5 Representations. Any material representation or warranty made by the Borrower herein or in the Note or in any document or certificate furnished to the Lender by Borrower and executed by its authorized officer or agent in connection herewith shall have been incorrect when made;

8.6 Insolvency. The Borrower shall have become insolvent or bankrupt or admit in writing its inability to pay any of its debts as they mature or make an assignment for the benefit of creditors, or a receiver or trustee shall have been appointed with respect to the Borrower or any of the Borrower's estate; and

8.7 Bankruptcy. Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings for relief under Title XI of the United States Code or any bankruptcy law or similar law now or hereafter in force for the relief of debtor shall be instituted by or against the Borrower and the Borrower shall fail to dismiss or to stay such proceedings within sixty (60) days of such institution.

## 9. REMEDIES

9.1 Acceleration. If an Event of Default hereunder shall have occurred and be continuing, Lender shall have the right to declare all of the payments due under the

Note immediately due and payable and it shall be then lawful for the Lender (and the Borrower hereby authorizes and empowers the Lender with the aid and assistance of any persons), subject to the rights of the Lessee under the Lease, to enter upon the premises or such other place as the affected Equipment may be found and take possession of and carry away said Equipment without process of law at any time or times, and to dispose of said Equipment and apply the proceeds thereof to the balance due under the Note or any other obligation arising thereunder, all to the extent permitted by and in accordance with law. In addition, Lender shall have such rights and remedies as are provided for in the Lease and all those allowed by all applicable laws including, but without limitation, the Uniform Commercial Code as enacted in any jurisdiction governing any portion of the Collateral.

9.2 Costs and Expenses. Borrower, subject to Section 10 hereof, will reimburse the Lender for all fees of attorneys or collection agencies and all reasonable expenses, costs and charges paid or payable to third persons or suffered or incurred by the Lender in attempting or effecting protection or preservation of its security interest in the Collateral or the Additional Collateral or the enforcement of any provision hereof or the enforcement of the Note or in the collection of the amounts secured hereby or in the exercise of any authority, right or remedy conferred upon the Lender herein or by law, together with interest thereon at the rate of interest implicit in the Note or the maximum lawful rate whichever is lower, from the date of the Lender's request for reimbursement until the date of reimbursement.

9.3 Rights Cumulative. All rights, remedies and options conferred upon the Lender hereunder or by law shall be cumulative and may be exercised successively or concurrently and are not alternative or exclusive of any other such rights, remedies or options. No express or implied waiver by the Lender of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Lender in exercising any rights granted it hereunder shall not constitute a waiver of any such right in the future and any single or partial exercise of any particular right by the Lender shall not exhaust such rights or constitute a waiver of any other right provided herein.

9.4 Quiet Enjoyment by Lessee. So long as Lessee does not default under any of the terms of the Lease, then, notwithstanding the occurrence of a default by Borrower hereunder, Lender will not disturb Lessee's possession, use and enjoyment of the Equipment.

#### 10. RECOURSE LOAN

Lender and Borrower agree that, notwithstanding Lender's security interest in the Collateral and the Additional Collateral, the loan is a recourse loan (i) to the extent of Guarantor's guaranty and (ii) for any claims arising out of the breach by Borrower of any of its representations, warranties and covenants as set forth in Sections 3 and 7 of this Agreement and in all other relevant documents.

#### 11. ADMINISTRATION

Borrower and Lender agree that, so long as Borrower is not in default hereunder, only the Borrower shall bill the Lessee for payments due under the Lease and shall direct the Lessee to make payments under the Lease directly to Lender. Borrower shall bill for, collect, and remit applicable taxes to the respective authorities, subject to Lender's right to audit from time to time during normal business hours and upon reasonable notice. Borrower shall otherwise administer the Equipment and the Lease and shall, during the term of this Agreement, prepare, as may be necessary and to the reasonable satisfaction of Lender, all documents relating to the registration, maintenance and record keeping functions involving the Equipment. Such documents shall include but are not limited to the following: (i) appropriate AAR documents including an application for relief from AAR Car Service Rules 1 and 2; (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register and (iii) such reports as may be required from time to time by the Interstate Commerce Commission and other regulatory agencies in the U.S..

#### 12. FURTHER ASSURANCES

Borrower will from time to time, at its own expense, take all action reasonably requested by the Lender to establish, preserve, protect and perfect the rights created by the Lease and this Agreement, including, without limitation, the execution, filing and recording, in such offices as shall be required or appropriate under applicable law, of any financing statement, security agreement (including a security agreement covering any replacement parts, additions or substitutions in respect of the Equipment except for additions which are serially numbered or which can be removed from the Equipment without diminishing the value or use thereof), continuation statement or other instrument as the Lender may reasonably request.

#### 13. LENDER'S RIGHT TO CURE

In the event Borrower shall fail to pay or perform any of its obligations or duties hereunder, then Lender in addition

to all of its rights and remedies hereunder and upon prior written notice to Borrower, may perform the same, but shall not be obligated to do so, at the cost and expense of Borrower. In any such event, Borrower shall reimburse Lender on demand together with interest at the rate implicit in the Note from the date of demand until such reimbursement is made.

#### 14. NOTICES

Any notices required by this Agreement shall be personally served or transmitted by registered or certified letter or by express mail or express courier. All such notices shall be given to the addresses of the parties set forth above or to such other address as a party may specify by written notice given in accordance with this Section, and shall be deemed given on the date the letter contemplated hereby is mailed.

#### 15. SURVIVAL OF REPRESENTATIONS

All representations and warranties made herein or in any relevant documents furnished to the Lender by Borrower and executed by its authorized officer or agent shall survive the execution and delivery of this Agreement and any such relevant documents furnished to the Lender by Borrower and executed by its authorized officer or agent shall continue so long as any obligations hereunder are outstanding and unsatisfied.

#### 16. MISCELLANEOUS

16.1 Amendments. The terms of this Agreement shall not be waived, amended, or terminated in any manner whatsoever except by written instrument signed by Lender and Borrower.

16.2 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No party not a party to this Agreement shall have any rights under this Agreement.

16.3 Partial Invalidity. A provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16.4 Governing Law. This Agreement shall be construed in accordance with, and shall be governed by, the laws of the Commonwealth of Pennsylvania.

16.5 Section Headings. Section headings are for convenience only and shall not be construed as part of this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the day and year first above written.

USX CREDIT CORPORATION

By:   
Title: Asst. Treasurer

GUNDERSON LEASING, INC.

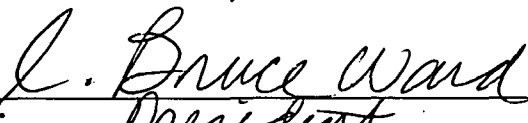
By:   
Title: President

EXHIBIT A

Installment Note

No. \_\_\_\_\_, 1987

Pittsburgh, Pennsylvania

FOR VALUE RECEIVED, the undersigned, Gunderson Leasing, Inc. (referred to herein as the "Debtor"), an Oregon corporation, hereby promises to pay to the order of USX Credit Corporation (referred to herein as the "Secured Party"), Pittsburgh, Pennsylvania 15230, the principal sum of \_\_\_\_\_ (\$\_\_\_\_\_) together with interest thereon as provided below, payable in consecutive monthly installments as follows:

(i)

(ii)

This Note, to the extent permitted by law, shall bear interest at the per annum rate of \_\_\_\_\_ percent (\_\_\_\_%) above the then interest rate, as such rate may vary from time to time, on any part of the principal interest hereof not paid when due for any period during which the same shall become overdue. If any payment of principal or interest on this Note shall become due on a Saturday, Sunday or any holiday on which banks in the Commonwealth of Pennsylvania are permitted to close, such payment shall be made on the next succeeding business day. All payments hereunder shall be applied first to the payment of accrued and unpaid interest and second, to the payment of the principal.

Except for casualty insurance or payments arising out of the early termination of the Lease, this Note may be prepaid in whole or in part subject to the Loan and Security Agreement.

This Note is made pursuant to and in connection with the Loan and Security Agreement and is to be paid from payments due or to become due and judgments recovered under the Lease Agreement between Debtor, as Lessor, and Cascade Warehouse Company, Inc., as Lessee. Repayment is guaranteed by Gunderson, Inc. pursuant to a Guaranty Agreement dated \_\_\_\_\_

1987. All the terms, conditions and covenants of the Loan and Security Agreement, including a full description of the rights of the holder hereof and the definitions set forth therein, are incorporated herein by reference. Copies of the Loan and Security Agreement are available at the offices of the Lender.

Upon the occurrence of an Event of Default, as defined in the Loan and Security Agreement, the unpaid principal balance of this Note, together with accrued interest thereon, may be declared immediately due and payable in the manner and with the effect provided in the Loan and Security Agreement; presentment, demand, protest or notice of any kind are expressly waived by the Borrower.

If this Note is not paid when due (as defined in the Loan and Security Agreement) and is placed with an attorney for collection, and whether or not suit is entered hereon against the Borrower, the Borrower further agrees to pay the Lender or the holder thereof, in addition to all other amounts then due, the reasonable costs of suit and attorneys' fees, provided that such attorneys' fees shall not exceed the maximum amount permitted by law.

No failure on the part of the holder hereof to exercise any of its rights hereunder shall be deemed a waiver of such rights or of any default. Any notice which the holder hereof shall elect to give shall be deemed to be given if sent as provided in the Loan and Security Agreement.

This Note shall be governed by the laws of the Commonwealth of Pennsylvania.

WITNESS the due execution hereof as of the date hereof.

\_\_\_\_\_(Debtor)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

[Corporate Seal]



Commonwealth of Pennsylvania )  
County of Allegheny ) ss:

On this 18th day of March, 1987  
before me personally appeared W. J. O'Brien,  
to me personally known, who being by me duly sworn, says  
that he is the Asst. Secretary & Asst. Treasurer of USX Credit  
Corporation, that the foregoing instrument was signed on  
behalf of said corporation by authority of its Board of  
Directors, and he acknowledged that the execution of the  
foregoing instrument was the free act and deed of said  
corporation.

Linda J. Reichle  
Notary Public

My Commission expires:

LINDA J. REICHLE, Notary Public  
PITTSBURGH, ALLEGHENY COUNTY, PA  
MY COMMISSION EXPIRES  
JULY 18, 1988

State of Oregon )  
County of Clackamas ) ss:

On this 27th day of February, 1987  
before me personally appeared, C. Bruce Ward,  
to me personally known, who being by me duly sworn, says  
that he is the President of Gunderson Leasing,  
Inc., that the foregoing instrument was signed on behalf  
of said corporation by authority of its Board of Directors,  
and he acknowledged that the execution of the foregoing  
instrument was the free act and deed of said corporation.

Janet E. Hudson  
Notary Public

My Commission expires: 5/28/90